# Interim Financial Report for the Period Ended September 26, 2020

LOGISTEC

# Q3 2020

**Revenue**

| *(in millions of Canadian dollars)* | 2017 | 2018 | 2019 [1] | **2020 [1]** |
|---|---|---|---|---|
| March | 60.1 | 82.4 | 114.7 | **109.4** |
| June | 101.9 | 149.2 | 156.2 | **123.6** |
| September | 168.3 | 184.5 | 195.3 | **191.9** |
| December | 145.5 | 168.7 | 173.7 | |
| Year-to-date | 475.7 | 584.9 | 639.9 | **424.9** |

**Adjusted EBITDA [2]**

| *(in millions of Canadian dollars)* | 2017 | 2018 | 2019 [1] | **2020 [1]** |
|---|---|---|---|---|
| March | 3.4 | (3.2) | 1.2 | **7.5** |
| June | 11.9 | 14.9 | 21.7 | **19.9** |
| September | 29.0 | 33.2 | 36.0 | **41.7** |
| December | 30.4 | 19.3 | 30.7 | |
| Year-to-date | 74.7 | 64.2 | 89.6 | **69.1** |

**Profit (loss) attributable to owners of the Company**

| *(in millions of Canadian dollars)* | 2017 | 2018 | 2019 [1] | **2020 [1]** |
|---|---|---|---|---|
| March | (1.5) | (9.5) | (8.9) | **(5.4)** |
| June | 4.8 | 1.9 | 5.9 | **4.6** |
| September | 11.0 | 22.3 | 17.4 | **20.4** |
| December | 13.2 | 3.4 | 11.8 | |
| Year-to-date | 27.4 | 18.1 | 26.2 | **19.6** |

**Total earnings (loss) per share [3]**

| *(in Canadian dollars)* | 2017 | 2018 | 2019 [1] | **2020 [1]** |
|---|---|---|---|---|
| March | (0.13) | (0.75) | (0.70) | **(0.42)** |
| June | 0.37 | 0.14 | 0.45 | **0.35** |
| September | 0.83 | 1.69 | 1.33 | **1.56** |
| December | 1.01 | 0.26 | 0.90 | |
| Year-to-date | 2.11 | 1.38 | 2.00 | **1.50** |

(1) *The 2020 and 2019 figures reflect the application of IFRS 16* Leases *("IFRS 16"), for which the 2018 and 2017 comparative figures have not been restated. Please refer to the application of IFRS 16 section on page 7 for further details.*
(2) *Adjusted EBITDA is a non-IFRS measure; please refer to the non-IFRS measures section on page 6.*
(3) *For earnings (loss) per share per class of share, please refer to the selected quarterly financial information on page 5.*



# To Our Shareholders

Highlights from the third quarter of 2020:

- Consolidated revenue reached $191.9 million, down $3.4 million or 1.8%;
- Adjusted EBITDA [(1)] closed at $41.7 million, up $5.7 million;
- Total diluted earnings per share of $1.56, up 17.3%;
- Launch of ALTRA, LOGISTEC's field-proven innovation in water technology solutions.

Highlights from the nine-month period ended September 26, 2020:

- Consolidated revenue reached $424.9 million, down $41.3 million or 8.9%;
- Adjusted EBITDA [(1)] closed at $69.1 million, up $10.2 million;
- Total diluted earnings per share closed at $1.50, up 36.4%.

During the third quarter of 2020, consolidated revenue totalled $191.9 million, a decrease of $3.4 million or 1.8% over the same period in 2019. Revenue from the marine services segment was lower at $79.3 million compared to $100.9 million in the corresponding period of 2019. As we anticipated, volumes were depressed, as global trade has slowed down following the measures put in place by governments to suppress the COVID-19 virus. In addition, volumes in the United States further suffered from an extremely active hurricane season that disrupted some of our terminals' operations. Revenue from the environmental services segment amounted to $112.6 million, an increase of $18.2 million or 19.3% over the third quarter of 2019. Since the end of May 2020, we have resumed all businesses in this segment, and we are now operating at full capacity to execute the strong order book we have.

The adjusted EBITDA [(1)] for the quarter closed at $41.7 million, an increase of $5.7 million or 15.8% over the comparative period. The increase stems mainly from the strong performance of our environmental services segment and from a $1.7 million wage subsidy from the Canada Emergency Wage Subsidy program.

Overall, LOGISTEC Corporation reported a profit attributable to owners of the Company of $20.4 million in the third quarter of 2020, up $3.0 million from the $17.4 million recorded in the corresponding period last year. This translated into total diluted earnings per share of $1.56, of which $1.50 was attributable to Class A shares and $1.65 to Class B shares.

# Outlook

We view the outlook for the remainder of the year with cautious optimism considering the unprecedented impact of this pandemic. In our marine services segment, we anticipate volumes to remain somewhat depressed due to the impact of the second wave of the COVID-19 virus on the economy around the world. In our environmental services segment, we foresee a reasonable quarter as we ramp down our activities before the end of the year. In the long run, with the launch of ALTRA, our field-proven innovation in water technology solutions, we believe that it will consolidate our unique water solutions under one brand and strengthen our product offering to allow us to gain market share in key markets.

| | |
|---|---|
| *(signed) James C. Cherry* | *(signed) Madeleine Paquin* |
| James C. Cherry, FCPA, FCA<br>Chairman of the Board | Madeleine Paquin, C.M.<br>President and Chief Executive Officer |

November 4, 2020

[(1)] *Adjusted EBITDA is a non-IFRS measure, please refer to the non-IFRS measures section.*

# Introduction

This management's discussion and analysis ("MD&A") deals with LOGISTEC Corporation's operations, results and financial position for the three-month and nine-month periods ended September 26, 2020, and September 28, 2019. All financial information contained in this MD&A and the attached condensed consolidated interim financial statements ("Q3 2020 financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") using the same accounting policies as outlined in Note 2 of the notes to 2019 audited consolidated financial statements, except for the new accounting standards and amendments described in Note 2 of the Q3 2020 financial statements. In this report, unless indicated otherwise, all dollar amounts are expressed in Canadian dollars.

# Our Business

The Company is incorporated in the Province of Québec and its shares are listed on the Toronto Stock Exchange ("TSX") under the ticker symbols LGT.A and LGT.B. The Company's largest shareholder is Sumanic Investments Inc.

The operations of LOGISTEC Corporation, its subsidiaries, and its joint ventures (collectively "LOGISTEC", the "Company", "we", "us", or "our") are divided into two segments: marine services and environmental services.

## Marine Services

LOGISTEC provides specialized cargo handling and other services to a wide variety of marine and industrial customers. The Company has cargo handling facilities in 38 ports and 65 terminals across North America. It is widely diversified in terms of cargo type and port location with a good balance between import and export activities.

Our other marine services include marine transportation services geared primarily to the Arctic coastal trade and agency services to foreign shipowners and operators serving the Canadian market.

## Environmental Services

The Company, through its subsidiaries SANEXEN Environmental Services Inc. ("SANEXEN") and FER-PAL Construction Ltd. ("FER-PAL"), operates in the environmental sector. We deliver creative and customized solutions to industrial, municipal and governmental clients with respect to renewal of underground water mains, site remediation, soils and materials management, risk assessment, and manufacturing of woven hoses.

# Business Development

## COVID-19 Measures

During March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is constantly evolving, and the measures put in place have numerous economic repercussions at the global and national levels. These measures, which include travel bans, solitary confinement or quarantine, whether voluntary or not, and social distancing, have caused significant disruption in the United States and Canada, where the Company operates.

LOGISTEC rolled out its business continuity plan for its operations that are deemed essential services by the government authorities in Canada and the United States. More precisely, the Company's marine operations are considered essential services and, as such, our terminal operations across our North American network remained open and functional. In addition, our manufacturing of woven hoses, which is essential in providing communities with drinking water and fighting forest fires, remained operational.

On the environmental services side, we are, as every year, affected by the seasonality of our operations and most activities cannot be performed in the winter season. This includes site remediation and renewal of water mains. COVID-19 has nonetheless affected some of these activities, causing significant delays in our projects. However, since the end of May 2020, we have resumed all businesses in this segment, and we are now operating under strict distancing and sanitation protocols.

As at September 26, 2020, the Company believed that it qualified to receive the Canada Emergency Wage Subsidy ("CEWS") and that there was a reasonable assurance that the amount would be received from the Canadian federal government in connection with the COVID-19 pandemic. For the three-month and the nine-month periods ended September 26, 2020, the Company recognized a wage subsidy of $1.7 million and $12.7 million, respectively, against the salary expense qualifying for that subsidy under employee benefits expense in the condensed consolidated interim statements of earnings.

In light of the COVID-19 measures, management has reviewed its judgments, estimates and assumptions, which are fully described in the 2019 audited consolidated financial statements, related to the carrying amounts of assets and liabilities that are not readily apparent from other sources. As at September 26, 2020, management has not found any triggering events that could impair its long-lived assets, including goodwill, that could increase the allowance for doubtful accounts on its trade receivables, or that could limit its ability to draw on its credit facilities.

# Selected Quarterly Financial Information

*(in thousands of Canadian dollars, except per share amounts)*

| | Q1<br>$ | Q2<br>$ | Q3<br>$ | Q4<br>$ | Year-to-date<br>$ |
|---|---|---|---|---|---|
| **2020** | | | | | |
| Revenue | **109,431** | **123,595** | **191,847** | | **424,873** |
| Adjusted EBITDA [1] | **7,473** | **19,930** | **41,720** | | **69,123** |
| Profit (loss) attributable to owners of the Company | **(5,421)** | **4,590** | **20,465** | | **19,634** |
| | | | | | |
| Basic earnings (loss) per Class A Common Share [2] | **(0.41)** | **0.35** | **1.52** | | **1.46** |
| Basic earnings (loss) per Class B Subordinate Voting Share [3] | **(0.45)** | **0.38** | **1.68** | | **1.61** |
| Total basic earnings (loss) per share | **(0.42)** | **0.36** | **1.58** | | **1.52** |
| | | | | | |
| Diluted earnings (loss) per Class A share | **(0.41)** | **0.34** | **1.50** | | **1.44** |
| Diluted earnings (loss) per Class B share | **(0.45)** | **0.37** | **1.65** | | **1.58** |
| Total diluted earnings (loss) per share | **(0.42)** | **0.35** | **1.56** | | **1.50** |

| | Q1<br>$ | Q2<br>$ | Q3<br>$ | Q4<br>$ | Year<br>$ |
|---|---|---|---|---|---|
| **2019** | | | | | |
| Revenue | 114,748 | 156,175 | 195,293 | 173,726 | 639,942 |
| Adjusted EBITDA [1] | 1,168 | 21,744 | 36,040 | 30,659 | 89,611 |
| Profit (loss) attributable to owners of the Company | (8,890) | 5,927 | 17,393 | 11,764 | 26,194 |
| | | | | | |
| Basic earnings (loss) per Class A share | (0.67) | 0.44 | 1.31 | 0.89 | 1.97 |
| Basic earnings (loss) per Class B share | (0.74) | 0.49 | 1.44 | 0.97 | 2.16 |
| Total basic earnings (loss) per share | (0.70) | 0.46 | 1.37 | 0.92 | 2.05 |
| | | | | | |
| Diluted earnings (loss) per Class A share | (0.67) | 0.43 | 1.27 | 0.86 | 1.92 |
| Diluted earnings (loss) per Class B share | (0.74) | 0.48 | 1.40 | 0.95 | 2.11 |
| Total diluted earnings (loss) per share | (0.70) | 0.45 | 1.33 | 0.90 | 2.00 |

(1) *Adjusted EBITDA is a non-IFRS measure; please refer to the non-IFRS measures section below.*
(2) *Class A Common Share ("Class A share").*
(3) *Class B Subordinate Voting Share ("Class B share").*

# Non-IFRS Measures

In this MD&A, the Company uses measures that are not in accordance with IFRS. Adjusted earnings before interest expense, income taxes, depreciation and amortization expense ("adjusted EBITDA") and net indebtedness/capitalization ratio are not defined by IFRS and cannot be formally presented in the Q3 2020 financial statements. The definition of adjusted EBITDA excludes the Company's impairment charge and includes the customer repayment of an investment in a service contract. The definition of adjusted EBITDA and net indebtedness/capitalization ratio used by the Company may differ from those used by other companies. Even though adjusted EBITDA is a non-IFRS measure, it is used by managers, analysts, investors and other financial stakeholders to analyze and assess the Company's performance and management from a financial and operational standpoint. Net indebtedness/capitalization ratio is a leverage ratio used by our fund providers.

The following tables provide a reconciliation of profit (loss) for the period to adjusted EBITDA:

*(in thousands of Canadian dollars)*

| | Q1<br>$ | Q2<br>$ | Q3<br>$ | Q4<br>$ | Year-to-date<br>$ |
|---|---|---|---|---|---|
| **2020** [(1)] | | | | | |
| Profit (loss) for the period | (5,230) | 4,615 | 20,464 | | 19,849 |
| PLUS: | | | | | |
| Depreciation and amortization expense | 10,776 | 11,223 | 11,602 | | 33,601 |
| Net finance expense | 3,006 | 2,676 | 2,914 | | 8,596 |
| Income taxes | (1,079) | 1,416 | 6,740 | | 7,077 |
| Adjusted EBITDA [(1)] | 7,473 | 19,930 | 41,720 | | 69,123 |

| | Q1<br>$ | Q2<br>$ | Q3<br>$ | Q4<br>$ | Year<br>$ |
|---|---|---|---|---|---|
| **2019** [(1)] | | | | | |
| Profit (loss) for the period | (8,931) | 6,106 | 17,478 | 11,784 | 26,437 |
| PLUS: | | | | | |
| Depreciation and amortization expense | 10,834 | 10,728 | 10,497 | 10,063 | 42,122 |
| Net finance expense | 2,552 | 2,804 | 2,662 | 4,335 | 12,353 |
| Income taxes | (3,287) | 2,106 | 5,403 | 4,477 | 8,699 |
| Adjusted EBITDA [(1)] | 1,168 | 21,744 | 36,040 | 30,659 | 89,611 |

(1) *The 2020 and 2019 figures reflect the application of IFRS 16, for which the comparative figures have not been restated. Please refer to the application of IFRS 16 section on page 7 for further details.*

*(in thousands of Canadian dollars)*

| | Q1 $ | Q2 $ | Q3 $ | Q4 $ | Year $ |
|---|---|---|---|---|---|
| 2018 | | | | | |
| Profit (loss) for the period | (8,326) | 3,060 | 19,823 | 3,437 | 17,994 |
| PLUS: | | | | | |
| Depreciation and amortization expense | 6,083 | 6,485 | 7,385 | 8,627 | 28,580 |
| Impairment charge | — | — | — | 6,821 | 6,821 |
| Net finance expense | 804 | 2,745 | 1,858 | 2,067 | 7,474 |
| Income taxes | (1,745) | 2,630 | 4,081 | (1,658) | 3,308 |
| Adjusted EBITDA | (3,184) | 14,920 | 33,147 | 19,294 | 64,177 |
| 2017 | | | | | |
| Profit (loss) for the period | (1,559) | 4,781 | 12,167 | 11,967 | 27,356 |
| PLUS: | | | | | |
| Depreciation and amortization expense | 4,026 | 4,223 | 12,419 | 13,191 | 33,859 |
| Impairment charge | — | — | — | 2,917 | 2,917 |
| Net finance expense | 312 | 397 | 791 | 2,033 | 3,533 |
| Income taxes | (220) | 2,535 | 3,610 | 286 | 6,211 |
| Customer repayment of an investment in a service contract | 865 | — | — | — | 865 |
| Adjusted EBITDA | 3,424 | 11,936 | 28,987 | 30,394 | 74,741 |

# Application of IFRS 16

The following table provides the estimated impact of the adoption of IFRS 16:

*(in thousands of Canadian dollars)*

| | Q1 $ | Q2 $ | Q3 $ | Q4 $ | Year-to-date $ |
|---|---|---|---|---|---|
| **2020** | | | | | |
| Statement of earnings line items: | | | | | |
| Operating expense [(1)] | **3,674** | **3,801** | **4,307** | | **11,782** |
| Depreciation and amortization expense [(2)] | **(2,980)** | **(3,186)** | **(3,469)** | | **(9,635)** |
| Finance expense [(3)] | **(1,163)** | **(1,215)** | **(1,463)** | | **(3,841)** |
| Loss before income taxes | **(469)** | **(600)** | **(625)** | | **(1,694)** |

| | Q1 $ | Q2 $ | Q3 $ | Q4 $ | Year $ |
|---|---|---|---|---|---|
| **2019** | | | | | |
| Statement of earnings line items: | | | | | |
| Operating expense [(1)] | 3,460 | 3,168 | 3,634 | 3,424 | 13,686 |
| Depreciation and amortization expense [(2)] | (3,025) | (2,763) | (2,938) | (2,842) | (11,568) |
| Finance expense [(3)] | (922) | (876) | (1,090) | (1,072) | (3,960) |
| Loss before income taxes | (487) | (471) | (394) | (490) | (1,842) |

(1) *IFRS 16 requires the recognition of an asset and a related liability for all contractual obligations previously accounted for as operating leases under IAS 17* Leases, *unless the contract term is 12 months or less or the underlying asset has a low value. Lease payments falling under the scope of IFRS 16 are presented in the unaudited condensed consolidated interim statements of cash flows as repayment of lease liabilities and interest paid, instead of as operating expense.*

(2) *Right-of-use assets are depreciated in accordance with IAS 16* Property, Plant and Equipment *using the straight-line method over the earlier of the end of their estimated useful lives or the lease term.*

(3) *Accretion interest expenses on the lease liability were created under IFRS 16.*

# Seasonal Nature of Operations

Marine services are affected by weather conditions and are therefore of a seasonal nature. During the winter months, the St. Lawrence Seaway is closed. There is no activity on the Great Lakes, reduced activity on the St. Lawrence River, and no activity in Arctic transportation due to ice conditions.

Environmental services are also affected by weather conditions, as the majority of the specialized services offered involve the excavation of soils, which is more difficult during the winter.

Historically, the first quarter and, to a lesser extent, the second quarter have always presented a lower level of activity and yielded weaker results than the other quarters. The third and fourth quarters are usually the most active.

# Business Combinations

Through an asset acquisition on June 26, 2020, Gulf Stream Marine, Inc. ("GSM") acquired the Care terminal at the Port of Houston in Texas, and on July 15, 2020, acquired an additional terminal at the Port of Pascagoula in Mississippi for a total purchase price of US$12.0 million (CA$16.5 million), subject to certain adjustments. These two strategically located marine terminals complement LOGISTEC's growing network throughout the U.S. Gulf, which is now operating in 12 terminals in three Gulf Coast states. The purchase price has been allocated on a preliminary basis and will be finalized as soon as the Company has obtained all the necessary information. We are currently evaluating the property, plant and equipment, and the intangible assets as at September 26, 2020.

Please refer to Note 5 of the notes to Q3 2020 financial statements for further details.

# Results

## Revenue

Consolidated revenue totalled $191.9 million for the third quarter of 2020, down $3.4 million or 1.8% from $195.3 million for the same period in 2019. Consolidated revenue was positively affected by $0.3 million due to a stronger U.S. dollar against the Canadian dollar in the third quarter of 2020 compared with the third quarter of 2019.

In the third quarter of 2020, revenue in the marine services segment amounted to $79.3 million, lower than in the third quarter of 2019 by $21.6 million. The decrease is primarily attributable to COVID-19 that has affected trade volumes following the measures put in place by governments to suppress the virus and thus impacting revenue throughout our port terminals in the marine services segment. In addition, volumes in the United States further suffered from an extremely active hurricane season, which disrupted some of our operations along the Florida and Texas coastlines.

Revenue from the environmental services segment was $112.6 million, up from $94.4 million in the third quarter of 2019. The increase is primarily attributable to the fact that we have resumed all businesses in this segment since the end of May 2020, and are now operating at full capacity to execute a strong order book.

For the nine-month period ended September 26, 2020, consolidated revenue totalled $424.9 million, compared with $466.2 million for the same period in 2019, a decrease of $41.3 million or 8.9%. Consolidated revenue has been positively affected by $4.4 million year-to-date, due to a strengthening of the U.S. dollar against the Canadian dollar in 2020. Revenue in the marine services segment totalled $251.0 million for the first nine months of 2020, down by $35.5 million from $286.5 million for the same period last year. The environmental services segment delivered revenue totalling $173.9 million, a decrease of $5.8 million over revenue of $179.7 million for the same nine-month period in 2019.

These decreases are primarily attributable to COVID-19, which has affected trade volumes and thus revenue throughout our port terminals in the marine services segment. It has also caused delays in our environmental services segment due to the temporary halt measures imposed by government authorities on some of our lines of service.

## Employee Benefits Expense

In the third quarter of 2020, employee benefits expense decreased by $5.8 million or 6.0% to $89.5 million, from the $95.3 million recorded for the same quarter in 2019. The decrease stemmed mainly from two factors: the lower revenue, since a portion of the employee benefits expense related to our field operations is variable in nature, and the $1.7 million wage subsidy the Company claimed under the CEWS program.

For the first nine months of 2020, the employee benefits expense reached $201.3 million, a decrease of $31.1 million or 13.4% over the $232.4 million recorded for the same period last year. The decrease stemmed mainly from three factors: the lower revenue, since a portion of the employee benefits expense related to our field operations is variable in nature, the $12.7 million wage subsidy the Company claimed under the CEWS program, and a $2.9 million reduction of the long-term incentive plan ("LTIP") provision for executives, considering the economic slowdown due to COVID-19. Please refer to Note 6 to the notes to Q3 2020 financial statements for further details on the government assistance.

## Equipment and Supplies Expense

Equipment and supplies expense amounted to $45.2 million in the third quarter of 2020, a decrease of $5.6 million compared with the same period last year. The overall ratio of equipment and supplies expense to consolidated revenue decreased to 23.5% for the third quarter of 2020, compared with 26.0% for the third quarter of 2019. The decline is primarily attributable to lower terminal expenses in the marine services segment as some customers have temporarily postponed their deliveries, and to increased field installation efficiencies in the environmental services segment.

For the first nine months of 2020, equipment and supplies expense amounted to $109.3 million, a decrease of $15.1 million or 12.1% over the first nine months of 2019. This decrease is in line with the revenue decrease, as the overall ratio of equipment and supplies expense to consolidated revenue was 25.7% for the first nine months of 2020 compared with 26.7% for the same period in 2019.

## Other Expenses

For the first nine months of 2020, other expenses stood at $19.3 million, down $4.4 million or 18.6% compared to the first nine months of 2019. This decrease stems mainly from lower travel costs and professional fees incurred in 2020 compared to 2019.

## Share of Profit of Equity Accounted Investments

For the first nine months of 2020, share of profit of equity accounted investments stood at $4.1 million, down $1.6 million or 28.0% compared to the first nine months of 2019. This decrease stems mainly from our equity accounted investments in Transport Nanuk Inc., which had a lower number of sailings to communities in the Canadian Arctic, given the pandemic.

## Other Gains and Losses

Other gains and losses varied by $2.5 million, from a $1.0 million gain in the third quarter of 2019 to a $1.5 million loss this quarter. In the first nine months of the year, other gains and losses varied by $2.8 million, from a $1.6 million loss in 2019 to a $1.2 million gain in 2020. These variances are mainly related to unrealized exchange gains and losses on translating net working capital denominated in U.S. dollars.

## Profit for the Period and Earnings per Share

Overall, the Company reported a profit attributable to owners of the Company of $20.4 million in the third quarter of 2020, up $3.0 million from the $17.4 million recorded in the corresponding period last year. This translated into total diluted earnings per share of $1.56, of which $1.50 was attributable to Class A shares and $1.65 to Class B shares.

Profit before income taxes from the marine services segment amounted to $4.1 million in the third quarter of 2020, down $8.3 million from the $12.4 million profit reported for the same quarter of 2019. This decrease stems mainly from lower cargo volumes, which are primarily attributable to COVID-19 and the unrealized exchange losses on translating net working capital denominated in U.S. dollars. These decreases were partially offset by lower equipment and supplies expense due to lower terminal expenses with some customers having temporarily postponed their deliveries, and a $1.0 million wage subsidy from the CEWS program.

Profit before income taxes from the environmental services segment amounted to $23.1 million in the third quarter of 2020, $12.6 million more than the $10.5 million reported for the same quarter of 2019. This increase is mainly attributable to higher revenue, since we are now operating at full capacity to execute the strong order book we have following the temporary halt measures imposed by government authorities, to the lower equipment and supplies expense due to increased field installation efficiencies, and the $0.7 million wage subsidy from the CEWS program.

For the first nine months of 2020, the Company reported a profit of $19.8 million, of which a profit of $0.2 million was attributable to a non-controlling interest, amounting to a $19.6 million profit attributable to owners of the Company. This translated into a total diluted earnings per share of $1.50, of which $1.44 per share was attributable to Class A shares and $1.58 per share to Class B shares.

For the first nine months of 2020, profit before income taxes from the marine services segment amounted to $16.0 million, down from $19.9 million profit in the same period of 2019. As mentioned above, this decrease stems mainly from lower cargo volumes, which is primarily attributable to COVID-19 and a lower share of profit of our equity accounted investment in Transport Nanuk Inc. These decreases were partially offset by a $5.1 million wage subsidy from the CEWS program, lower travel costs and professional fees incurred in 2020 compared to 2019, to support business integration and to analyze business development opportunities, the lower equipment and supplies expense due to some customers having temporarily postponed their deliveries, and the unrealized exchange gains on translating net working capital denominated in U.S. dollars.

For the first nine months of 2020, the profit before income taxes from the environmental services segment amounted to $10.9 million, a positive variation when compared to the $1.0 million loss in the same period of 2019. The increased profitability is mainly attributable to lower employee benefits expense resulting from the $7.5 million wage subsidy from the CEWS program.

All other items of the unaudited condensed consolidated interim statements of earnings varied according to normal business parameters.

# Dividends

The Company's Board of Directors determines the level of dividend payments. Although LOGISTEC does not have a formal dividend policy, the practice to date has been to maintain regular quarterly dividends with modest increases over the years.

The following table describes the 2020 schedule of dividend payments, which are all eligible dividends for Canada Revenue Agency purposes.

*(in millions of* dollars, *except per share amounts)*

| Declaration date | Record date | Payment date | Per Class A $ | Per Class B $ | Total $ |
|---|---|---|---|---|---|
| December 4, 2019 | January 3, 2020 | January 17, 2020 | 0.09350 | 0.10285 | 1.2 |
| March 17, 2020 | April 3, 2020 | April 17, 2020 | 0.09350 | 0.10285 | 1.2 |
| May 6, 2020 | June 19, 2020 | July 3, 2020 | 0.09350 | 0.10285 | 1.3 |
| August 6, 2020 | September 25, 2020 | October 9, 2020 | 0.09350 | 0.10285 | 1.3 |

The Board of Directors has maintained the dividend payment for now, and will reassess the decision at the upcoming Board meetings, depending on the evolution of the economic crisis.

# Liquidity and Capital Resources

## Capital Management

The Company's financial strategy and primary objectives when managing capital are described in Note 10 of the notes to the 2019 audited consolidated financial statements and were applied consistently in the third quarter of 2020. Please also refer to Note 7 of the notes to Q3 2020 financial statements for an update on financial risk management information.

## Capital Resources

Total assets amounted to $814.2 million as at September 26, 2020, up $79.5 million over the December 31, 2019, closing balance of $734.7 million. The increase is mainly due to the additional $47.6 million in right-of-use assets, $22.5 million in incremental contract assets that reflect the higher level of our seasonal operations and the business combination, partially offset by the collection of trade and other receivables.

Cash and cash equivalents totalled $23.7 million at the end of the third quarter of 2020, up $1.1 million from $22.6 million as at December 31, 2019. The main items underlying this decrease are as follows:

| *(in thousands of dollars)* | |
|---|---|
| Sources: | |
| Cash generated from operations | 65,670 |
| | **65,670** |
| Uses: | |
| Business combinations | (16,457) |
| Acquisition of property, plant and equipment, net of proceeds from disposal | (15,950) |
| Repayment of lease liabilities | (9,641) |
| Changes in non-cash working capital items | (7,900) |
| Interest paid | (7,424) |
| Income taxes paid | (4,392) |
| | **(61,764)** |

## Working Capital

Working capital totalled $102.6 million at the end of the third quarter of 2020, for a current ratio of 1.82:1, comparable to the amount of $98.0 million and ratio of 1.85:1 as at December 31, 2019.

## Long-Term Debt

Total net indebtedness amounted to $158.3 million as at September 26, 2020, up by $3.0 million from $155.3 million as at December 31, 2019. The increase stems mainly from the revaluation of long-term debt denominated in foreign currency, which had an impact of $1.9 million. The net indebtedness/capitalization ratio is a non-IFRS measure and is reconciled in Note 7 of the notes to Q3 2020 financial statements.

Since the beginning of the pandemic and the resulting financial crisis, we have made sure that our cash balance of immediately available funds remained above $20.0 million, as a precautionary measure. As discussed in the Company's 2019 Annual Report, we renegotiated our banking facility in the fourth quarter of 2019 to increase it to $300.0 million. This facility is committed and supported by six major Canadian banks and financial institutions. They have assured us that our facility is secure and that funds will be available, if the need arises.

## Equity Attributable to Owners of the Company

As at September 26, 2020, equity attributable to owners of the Company amounted to $294.9 million, up by $14.5 million from the December 31, 2019, closing balance of $280.4 million. Adding total net indebtedness yields a capitalization of $453.2 million, which computes to a net indebtedness/capitalization ratio of 34.9% compared with 35.6% as at December 31, 2019. The net indebtedness/capitalization ratio is a non-IFRS measure and is reconciled in Note 7 of the notes to Q3 2020 financial statements.

As at November 4, 2020, 7,377,622 Class A shares and 5,540,569 Class B shares were issued and outstanding. Each Class A share is convertible at any time by its holder into one Class B share. Please refer to Note 8 of the notes to Q3 2020 financial statements for further details regarding the Company's share capital.

## Normal Course Issuer Bid ("NCIB")

The Company repurchased some of its shares for cancellation purposes pursuant to NCIBs. The new NCIB was launched on October 28, 2020 and will terminate on October 27, 2021. LOGISTEC intends to repurchase, for cancellation purposes, up to 368,881 Class A shares and 277,113 Class B shares, representing 5% of the issued and outstanding shares of each class as at October 16, 2020.

# Significant Joint Venture

As disclosed in Note 14 of the notes to 2019 audited consolidated financial statements, the Company holds various investments in joint ventures. The Company has only one significant joint venture, namely Termont Terminal Inc., whose activities are aligned with the Company's core business.

The following table summarizes the financial information of Termont Terminal Inc. at 100%. The Company holds a 50% equity interest in this joint venture.

*(in thousands of dollars)*

| | **As at September 26, 2020 $** | As at December 31, 2019 $ |
|---|---|---|
| Statement of financial position | | |
| Total assets | **93,256** | 88,978 |
| Total liabilities | **40,053** | 37,603 |

| | **For the three months ended** | | **For the nine months ended** | |
|---|---|---|---|---|
| | **September 26, 2020 $** | September 28, 2019 $ | **September 26, 2020 $** | September 28, 2019 $ |
| Statement of earnings | | | | |
| Revenue | **825** | 916 | **2,808** | 2,943 |
| Share of profit of an equity accounted investment | **1,830** | 1,731 | **5,051** | 4,028 |
| Profit for the period | **2,187** | 2,217 | **6,332** | 5,695 |

# Other Items in the Consolidated Statements of Financial Position

| **Financial position as at** *(in millions of dollars)* | **September 26, 2020 $** | December 31, 2019 $ | **Var. $** | **Var. %** | Explanation of variation |
|---|---|---|---|---|---|
| Trade and other receivables | **141.4** | 156.2 | **(14.8)** | **(9.5)** | The decrease in trade and other receivables needs to be analyzed in light of the increase in contract assets as some of the contract work performed in our environmental services segment was not invoiced at the end of the third quarter of 2020. |
| Contract assets | **33.1** | 10.6 | **22.5** | **n.m.** | Contract assets represent the gross unbilled amount that will be collected from customers for contract work performed in our environmental services segment. The late start of the season in all business activities led to higher work in progress at the end of the third quarter of 2020. |
| Prepaid expenses and other | **10.9** | 5.1 | **5.8** | **n.m.** | This variation is primarily explained by the timing of payments of our insurance premium and property taxes. |
| Property, plant and equipment | **194.1** | 184.3 | **9.8** | **5.3** | This increase stems mainly from the capital expenditures of $19.2 million, the acquisition of two terminals for $9.6 million and the revaluation of property, plant and equipment denominated in foreign currency in the amount of $2.3 million, all of which exceeded the depreciation expense of $20.9 million. |
| Right-of-use assets | **137.2** | 89.6 | **47.6** | **53.1** | This increase stems mainly from the addition of $55.5 million and the revaluation of right-of-use assets denominated in foreign currency in the amount of $2.1 million, all of which exceeded the depreciation expense of $9.6 million. |
| Goodwill | **146.9** | 140.6 | **6.3** | **4.5** | The majority of the increase stems from the acquisition of two terminals by GSM, as discussed in the business combinations section of this MD&A. |
| Trade and other payables | **94.4** | 86.2 | **8.2** | **9.5** | The variation is primarily explained by the seasonality of operations. |
| Contract liabilities | **9.0** | 5.4 | **3.6** | **68.7** | Contract liabilities represent advance consideration received from customers, for which revenue will be recognized when contract work is performed in our environmental services segment. The late start of the season in all business activities led to higher deferred revenue at the end of the third quarter of 2020. |
| Current income tax liabilities | **5.3** | 3.1 | **2.2** | **69.0** | The increase is due to the timing of the 2020 tax instalments made. |

*n.m.: not meaningful*

| **Financial position as at** *(in millions of dollars)* | **September 26, 2020 $** | December 31, 2019 $ | **Var. $** | **Var. %** | Explanation of variation |
|---|---|---|---|---|---|
| Current portion of lease liabilities | **11.2** | 9.8 | **1.4** | **14.4** | This increase stems mainly from the addition of $55.8 million and the revaluation of lease liabilities denominated in foreign currency in the amount of $2.8 million, partly offset by the repayment of lease liabilities in the amount of $9.6 million. |
| Non-current lease liabilities | **129.1** | 81.5 | **47.6** | **58.4** | |
| Current portion of long-term debt | **4.4** | 9.4 | **(5.0)** | **(53.4)** | This net increase stems mainly from the revaluation of long-term debt denominated in foreign currency in the amount of $1.9 million. |
| Long-term debt | **177.5** | 168.5 | **9.0** | **5.4** | |
| Non-current liabilities | **40.9** | 46.1 | **(5.2)** | **(11.3)** | This decrease stems mainly from the reversal of the $2.9 million LTIP provision and the repayment of a $2.5 million advance due to a non-controlling interest. |
| Share capital | **45.6** | 40.2 | **5.4** | **13.4** | The variation is mainly due to the issuance of Class B shares in accordance with the terms of the 2016 acquisition of the non-controlling interest in SANEXEN. |
| Share capital to be issued | **4.9** | 9.8 | **(4.9)** | **(50.0)** | |

All other items included in the condensed consolidated interim statements of financial position varied according to normal business parameters in the third quarter of 2020.

# Application of New Accounting Standards and Amendments

The following amendments have been published and adopted:

- Amendments to Hedge Accounting Requirements - IBOR Reform and its Effects on Financial Reporting (Phase 1);
- Amendments to References to Conceptual Framework in IFRS Standards;
- Definition of a Business (Amendments to IFRS 3);
- Definition of Material (Amendments to IAS 1 and IAS 8).

Please refer to Note 2 of the Q3 2020 financial statements for further details.

# Report on Disclosure Controls

Pursuant to the requirements of National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings", the President and Chief Executive Officer and the Chief Financial Officer are responsible for the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). They are assisted in these tasks by a Certification Steering Committee, which comprises members of the Company's senior executives including the two previously mentioned executives.

They have reviewed this management's discussion and analysis and the Q3 2020 financial statements and related notes (the "Interim Filings"). Based on their knowledge, the Interim Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the Interim Filings. Based on their knowledge, the Q3 2020 financial statements, together with the other financial information included in the Interim Filings, fairly present in all material respects the financial condition, financial performance, and cash flows of the Company, as of the date and for the periods presented in the Interim Filings.

The President and Chief Executive Officer and the Chief Financial Officer have concluded that the design of DC&P provided reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, was communicated to them in a timely manner for the preparation of the Interim Filings and that information required to be disclosed in its Interim Filings was recorded, processed, summarized and reported within the required time periods.

The President and Chief Executive Officer and the Chief Financial Officer have also designed such ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, the Company's generally accepted accounting principles.

Despite the COVID-19 outbreak and the necessity of physical distancing, there has been no change in the Company's ICFR that occurred during the third quarter of 2020 that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

# Outlook

In the outlook section of the MD&A of our second quarter of 2020 interim financial report, we were concerned about a potential recurring wave of the ongoing COVID-19 pandemic, and the resulting uncertainties for the economy.

While we are deep into the second wave now, and it is unsettling for businesses and people, the constant uncertainty regarding the near future seems to be somewhat more easily manageable than expected. People, institutions, governments and businesses alike seem to be progressively adapting, learning and adjusting to this threat. While many businesses are again unfairly affected by confinement and temporary closure, the impact seems to be less generalized than during the first wave and more industries and business are still in operation.

This is certainly benefitting our environmental services segment. As you may recall, SANEXEN's operations were suspended for ten weeks during the second quarter of 2020, following a government enforced shutdown of the construction industry in Québec. In the third quarter, we were not affected by such measures, as we are now fully operational in this segment. Indeed, since both SANEXEN and FER-PAL were able to generate a sturdy back log that contributed to our strong results in that segment in the third quarter of 2020, the last quarter of 2020 looks promising as we are striving to execute the maximum of this order book.

The outlook for the marine services segment remains volatile, but is expected to improve somewhat in the fourth quarter. We expect continued uncertainty given the impact of COVID-19 on the economies of North America, Europe and the rest of the world. We are fortunate to be agile and will adapt as needed, while continuing to review opportunities offered in this more difficult environment.

In the environmental services segment, we have introduced our new ALTRA Proven Solutions brand ("ALTRA") representing our field-proven innovation in water technology solutions. ALTRA brings together the ingenuity and unparalleled depth of experience of our people with the innovative solutions developed by soil and water technology engineers, to provide customized and proven solutions for their customers.

ALTRA combines a series of comprehensive solutions to protect and renew water infrastructure including ALTRA Water Technologies (formerly Aqua-Pipe), which addresses water main infrastructure issues, ALTRA Lead Solutions (formerly Neofit), which protects people from lead in their drinking water, and ALTRA PFAS Solutions, eliminating potentially harmful "forever chemicals" from drinking water, offering truly flexible, fluid and proven management solutions for long-lasting and sustainable results. We believe in working hand-in-hand with our customers and communities, and are looking at providing solutions for a sustainable future.

We are also well aware that we must never lower our guard: this pernicious virus is still very present and will resurge if we are not careful. This is why we continue to rigorously apply our distancing and sanitation protocols in the field, with respect to our employees as well as with all stakeholders we interact with.

Finally, we must praise all our employees for their passion and resilience: they are the foundation of our success.

Furthermore, let's all continue to apply the proper protective measures:

- Wear a mask
- Keep a 2-metre distance
- Wash your hands often, for 20 seconds
- Cough or sneeze in your mask or elbow
- If you feel ill, stay at home and seek medical advice.

*This MD&A along with the annual report, the audited annual consolidated financial statements, the annual information form and the information circular and compensation disclosure and analysis are all filed on SEDAR's website (www.sedar.com) and some of these documents can also be consulted on LOGISTEC's website (www.logistec.com), in the investors section.*

*The interim financial reports and financial press releases can also be consulted on SEDAR and LOGISTEC's website.*

*For the purpose of informing shareholders and potential investors about the Company's prospects, sections of this document may contain forward-looking statements, within the meaning of securities legislation, about the Company's activities, performance and financial position and, in particular, hopes for the success of the Company's efforts in the development and growth of its business. These forward-looking statements express, as of the date of this document, the estimates, predictions, projections, expectations or opinions of the Company about future events or results. Although the Company believes that the expectations produced by these forward-looking statements are founded on valid and reasonable bases and assumptions, these forward-looking statements are inherently subject to important uncertainties and contingencies, many of which are beyond the Company's control, such that the Company's performance may differ significantly from the predicted performance expressed or presented in such forward-looking statements.*

*The important risks and uncertainties that may cause the actual results and future events to differ significantly from the expectations currently expressed are examined under "Business Risks" in the Company's annual report and include (but are not limited to) the performances of domestic and international economies and their effect on shipping volumes, weather conditions, labour relations, pricing and competitors' marketing activities. The reader of this document is thus cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to update or revise these forward-looking statements, except as required by law.*

*(signed) Jean-Claude Dugas*
Jean-Claude Dugas, CPA, CA
Chief Financial Officer

November 4, 2020

# Condensed Consolidated Interim Statements of Earnings

*(in thousands of Canadian dollars, except for per share amounts and number of shares)*

| | Notes | For the three months ended September 26, 2020 $ | September 28, 2019 $ | For the nine months ended September 26, 2020 $ | September 28, 2019 $ |
|---|---|---|---|---|---|
| Revenue | 9 | **191,847** | 195,293 | **424,873** | 466,216 |
| Employee benefits expense | | **(89,548)** | (95,261) | **(201,264)** | (232,353) |
| Equipment and supplies expense | | **(45,153)** | (50,756) | **(109,291)** | (124,374) |
| Operating expense | | **(10,588)** | (11,290) | **(31,191)** | (30,878) |
| Other expenses | | **(6,828)** | (7,059) | **(19,319)** | (23,736) |
| Depreciation and amortization expense | | **(11,602)** | (10,497) | **(33,601)** | (32,059) |
| Share of profit of equity accounted investments | | **3,527** | 4,162 | **4,071** | 5,654 |
| Other (losses) gains | | **(1,537)** | 951 | **1,244** | (1,577) |
| Operating profit | | **30,118** | 25,543 | **35,522** | 26,893 |
| Finance expense | | **(3,060)** | (2,733) | **(9,031)** | (8,374) |
| Finance income | | **146** | 71 | **435** | 356 |
| Profit before income taxes | | **27,204** | 22,881 | **26,926** | 18,875 |
| Income taxes | | **(6,740)** | (5,403) | **(7,077)** | (4,222) |
| **Profit for the period** | | **20,464** | 17,478 | **19,849** | 14,653 |
| Profit (loss) attributable to: | | | | | |
| **Owners of the Company** | | **20,465** | 17,393 | **19,634** | 14,430 |
| Non-controlling interest | | **(1)** | 85 | **215** | 223 |
| **Profit for the period** | | **20,464** | 17,478 | **19,849** | 14,653 |
| Basic earnings per Class A Common Share (1) | | **1.52** | 1.31 | **1.46** | 1.09 |
| Basic earnings per Class B Subordinate Voting Share (2) | | **1.68** | 1.44 | **1.61** | 1.19 |
| Diluted earnings per Class A share | | **1.50** | 1.27 | **1.44** | 1.06 |
| Diluted earnings per Class B share | | **1.65** | 1.40 | **1.58** | 1.16 |
| Weighted average number of Class A shares outstanding, basic and diluted | | **7,377,655** | 7,385,989 | **7,379,478** | 7,389,289 |
| Weighted average number of Class B shares outstanding, basic | | **5,544,436** | 5,407,301 | **5,504,921** | 5,377,686 |
| Weighted average number of Class B shares outstanding, diluted | | **5,703,038** | 5,714,471 | **5,696,538** | 5,717,871 |

(1) *Class A Common Share ("Class A share")*
(2) *Class B Subordinate Voting Share ("Class B share")*

See accompanying notes to the condensed consolidated interim financial statements.

# Condensed Consolidated Interim Statements of Comprehensive Income

*(in thousands of Canadian dollars)*

| | For the three months ended | | For the nine months ended | |
|---|---|---|---|---|
| | **September 26, 2020 $** | September 28, 2019 $ | **September 26, 2020 $** | September 28, 2019 $ |
| **Profit for the period** | **20,464** | 17,478 | **19,849** | 14,653 |
| Other comprehensive (loss) income | | | | |
| Items that are or may be reclassified to the consolidated statements of earnings | | | | |
| Currency translation differences arising on translation of foreign operations | **(2,906)** | 1,591 | **3,567** | (3,359) |
| Unrealized gain (loss) on translating debt designated as hedging item of the net investment in foreign operations | **1,872** | (810) | **(1,675)** | 2,348 |
| (Loss) gain on derivative financial instruments designated as cash flow hedges | **(92)** | 18 | **(92)** | (167) |
| Income taxes relating to derivative financial instruments designated as cash flow hedges | **24** | (5) | **24** | 45 |
| Total items that are or may be reclassified to the consolidated statements of earnings | **(1,102)** | 794 | **1,824** | (1,133) |
| Items that will not be reclassified to the consolidated statements of earnings | | | | |
| Remeasurement loss on benefit obligation | **(1,260)** | (1,056) | **(2,548)** | (2,136) |
| Return on retirement plan assets | **188** | 2,254 | **21** | 539 |
| Income taxes on remeasurement gain (loss) on benefit obligation and return on retirement plan assets | **285** | (323) | **670** | 429 |
| Total items that will not be reclassified to the consolidated statements of earnings | **(787)** | 875 | **(1,857)** | (1,168) |
| Share of other comprehensive income (loss) of equity accounted investments, net of income taxes | | | | |
| Items that are or may be reclassified to the consolidated statements of earnings | **4** | — | **(15)** | — |
| Items that will not be reclassified to the consolidated statements of earnings | **(1)** | — | **4** | — |
| Total share of other comprehensive income (loss) of equity accounted investments, net of income taxes | **3** | — | **(11)** | — |
| Other comprehensive (loss) income for the period, net of income taxes | **(1,886)** | 1,669 | **(44)** | (2,301) |
| **Total comprehensive income for the period** | **18,578** | 19,147 | **19,805** | 12,352 |
| Total comprehensive income (loss) attributable to: | | | | |
| Owners of the Company | **18,599** | 19,054 | **19,575** | 12,142 |
| Non-controlling interest | **(21)** | 93 | **230** | 210 |
| **Total comprehensive income for the period** | **18,578** | 19,147 | **19,805** | 12,352 |

See accompanying notes to the condensed consolidated interim financial statements.

# Condensed Consolidated Interim Statements of Financial Position

*(in thousands of Canadian dollars)*

| | Notes | **As at September 26, 2020 $** | As at December 31, 2019 $ |
|---|---|---|---|
| **Assets** | | | |
| Current assets | | | |
| Cash and cash equivalents | | **23,657** | 22,608 |
| Trade and other receivables | | **141,378** | 156,228 |
| Contract assets | | **33,064** | 10,593 |
| Current income tax assets | | **5,210** | 6,028 |
| Inventories | | **14,055** | 12,569 |
| Prepaid expenses and other | | **10,858** | 5,129 |
| | | **228,222** | 213,155 |
| Equity accounted investments | | **42,747** | 42,349 |
| Property, plant and equipment | | **194,061** | 184,304 |
| Right-of-use assets | | **137,184** | 89,581 |
| Goodwill | 5 | **146,939** | 140,617 |
| Intangible assets | 5 | **40,685** | 40,735 |
| Non-current assets | | **2,430** | 2,417 |
| Non-current financial assets | | **8,065** | 8,829 |
| Deferred income tax assets | | **13,825** | 12,751 |
| **Total assets** | | **814,158** | 734,738 |
| **Liabilities** | | | |
| Current liabilities | | | |
| Trade and other payables | | **94,379** | 86,217 |
| Contract liabilities | | **9,034** | 5,356 |
| Current income tax liabilities | | **5,290** | 3,131 |
| Dividends payable | | **1,260** | 1,245 |
| Current portion of lease liabilities | | **11,236** | 9,820 |
| Current portion of long-term debt | | **4,379** | 9,390 |
| | | **125,578** | 115,159 |
| Lease liabilities | | **129,094** | 81,495 |
| Long-term debt | | **177,533** | 168,510 |
| Deferred income tax liabilities | | **20,948** | 21,156 |
| Post-employment benefit obligations | | **21,662** | 18,383 |
| Contract liabilities | | **2,633** | 2,933 |
| Non-current liabilities | | **40,888** | 46,088 |
| **Total liabilities** | | **518,336** | 453,724 |
| **Equity** | | | |
| Share capital | 8 | **45,622** | 40,222 |
| Share capital to be issued | 8 | **4,906** | 9,811 |
| Retained earnings | | **232,926** | 220,641 |
| Accumulated other comprehensive income | 10 | **11,495** | 9,697 |
| Equity attributable to owners of the Company | | **294,949** | 280,371 |
| Non-controlling interest | | **873** | 643 |
| **Total equity** | | **295,822** | 281,014 |
| **Total liabilities and equity** | | **814,158** | 734,738 |

See accompanying notes to the condensed consolidated interim financial statements.

# Condensed Consolidated Interim Statements of Changes in Equity

*(in thousands of Canadian dollars)*

| | | Attributable to owners of the Company | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Notes | Share capital $ | Share capital to be issued $ | Accumulated other comprehensive income (Note 10) $ | Retained earnings $ | Total $ | Non-controlling interest $ | Total equity $ |
| **Balance as at January 1, 2020** | | **40,222** | **9,811** | **9,697** | **220,641** | **280,371** | **643** | **281,014** |
| Profit for the period | | — | — | — | 19,634 | 19,634 | 215 | 19,849 |
| Other comprehensive income (loss) | | | | | | | | |
| Currency translation differences arising on translation of foreign operations | | — | — | 3,552 | — | 3,552 | 15 | 3,567 |
| Unrealized loss on translating debt designated as hedging item of the net investment in foreign operations | | — | — | (1,675) | — | (1,675) | — | (1,675) |
| Remeasurement loss on benefit obligation and return on retirement plan assets, net of income taxes | | — | — | — | (1,857) | (1,857) | — | (1,857) |
| Share of other comprehensive loss of equity accounted investments, net of income taxes | | — | — | (11) | — | (11) | — | (11) |
| Cash flow hedges, net of income taxes | | — | — | (68) | — | (68) | — | (68) |
| Total comprehensive income for the period | | — | — | 1,798 | 17,777 | 19,575 | 230 | 19,805 |
| Remeasurement of written put option liabilities | | — | — | — | (818) | (818) | — | (818) |
| Repurchase of Class A shares | 8 | (4) | — | — | (159) | (163) | — | (163) |
| Issuance and repurchase of Class B shares | 8 | 499 | — | — | (708) | (209) | — | (209) |
| Issuance of Class B shares capital to a subsidiary shareholder | 8 | 4,905 | (4,905) | — | — | — | — | — |
| Class B shares to be issued under the Executive Stock Option Plan | | — | — | — | 91 | 91 | — | 91 |
| Other dividend | | — | — | — | (121) | (121) | — | (121) |
| Dividends on Class A shares | 8 | — | — | — | (2,070) | (2,070) | — | (2,070) |
| Dividends on Class B shares | 8 | — | — | — | (1,707) | (1,707) | — | (1,707) |
| **Balance as at September 26, 2020** | | **45,622** | **4,906** | **11,495** | **232,926** | **294,949** | **873** | **295,822** |

See accompanying notes to the condensed consolidated interim financial statements.

# Condensed Consolidated Interim Statements of Changes in Equity (Continued)

*(in thousands of Canadian dollars)*

| | Notes | Attributable to owners of the Company | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Share capital $ | Share capital to be issued $ | Accumulated other comprehensive income (Note 10) $ | Retained earnings $ | Total $ | Non-controlling interest $ | Total equity $ |
| **Balance as at January 1, 2019** | | **35,016** | **14,717** | **12,061** | **200,404** | **262,198** | **2,191** | **264,389** |
| Profit for the period | | – | – | – | 14,430 | 14,430 | 223 | 14,653 |
| Other comprehensive (loss) income | | | | | | | | |
| Currency translation differences arising on translation of foreign operations | | – | – | (3,346) | – | (3,346) | (13) | (3,359) |
| Unrealized gain on translating debt designated as hedging item of the net investment in foreign operations | | – | – | 2,348 | – | 2,348 | – | 2,348 |
| Remeasurement loss on benefit obligation and return on retirement plan assets, net of income taxes | | – | – | – | (1,168) | (1,168) | – | (1,168) |
| Cash flow hedges, net of income taxes | | – | – | (122) | – | (122) | – | (122) |
| Total comprehensive (loss) income for the period | | – | – | (1,120) | 13,262 | 12,142 | 210 | 12,352 |
| Remeasurement of written put option liabilities | | – | – | – | (697) | (697) | – | (697) |
| Repurchase of Class A shares | 8 | (5) | – | – | (286) | (291) | – | (291) |
| Issuance and repurchase of Class B shares | 8 | 352 | – | – | (1,146) | (794) | – | (794) |
| Issuance of Class B share capital to a subsidiary shareholder | 8 | 4,906 | (4,906) | – | – | – | – | – |
| Dividends on Class A shares | 8 | – | – | – | (2,032) | (2,032) | – | (2,032) |
| Dividends on Class B shares | 8 | – | – | – | (1,635) | (1,635) | – | (1,635) |
| **Balance as at September 28, 2019** | | **40,269** | **9,811** | **10,941** | **207,870** | **268,891** | **2,401** | **271,292** |

See accompanying notes to the condensed consolidated interim financial statements.

# Condensed Consolidated Interim Statements of Cash Flows

*(in thousands of Canadian dollars)*

| | Notes | For the nine months ended September 26, 2020 $ | September 28, 2019 $ |
|---|---|---|---|
| **Operating activities** | | | |
| Profit for the period | | **19,849** | 14,653 |
| Items not affecting cash and cash equivalents | | **45,824** | 45,293 |
| Cash generated from operations | | **65,673** | 59,946 |
| Dividends received from equity accounted investments | | **3,600** | 3,770 |
| Contributions to defined benefit retirement plans | | **(674)** | (698) |
| Settlement of provisions | | **(371)** | (217) |
| Changes in non-cash working capital items | | **(7,900)** | (16,333) |
| Income taxes paid | | **(4,392)** | (9,857) |
| | | **55,936** | 36,611 |
| **Financing activities** | | | |
| Net change in short-term bank loans | | **—** | (13,577) |
| Issuance of long-term debt, net of transaction cost | | **59,639** | 81,969 |
| Repayment of long-term debt | | **(57,465)** | (50,607) |
| Repayment of other non-current liability | | **(2,447)** | (310) |
| Repayment of lease liabilities | | **(9,641)** | (7,374) |
| Interest paid | | **(7,424)** | (8,635) |
| Issuance of Class B shares | | **190** | 258 |
| Repurchase of Class A shares | 8 | **(163)** | (291) |
| Repurchase of Class B shares | 8 | **(903)** | (1,350) |
| Dividends paid on Class A shares | | **(2,070)** | (2,012) |
| Dividends paid on Class B shares | | **(1,692)** | (1,606) |
| | | **(21,976)** | (3,535) |
| **Investing activities** | | | |
| Acquisition of property, plant and equipment | | **(16,290)** | (29,919) |
| Acquisition of intangible assets | | **(89)** | (53) |
| Proceeds from disposal of property, plant and equipment | | **340** | 1,676 |
| Business combinations | 5 | **(16,457)** | — |
| Repayment of due to shareholders | | **(121)** | (5,386) |
| Interest received | | **205** | 226 |
| Repayment of other non-current financial assets | | **165** | 157 |
| Acquisition of other non-current assets | | **(496)** | (276) |
| Proceeds from disposal of other non-current assets | | **79** | 123 |
| | | **(32,664)** | (33,452) |
| Net change in cash and cash equivalents | | **1,296** | (376) |
| Cash and cash equivalents, beginning of period | | **22,608** | 15,393 |
| Effect of exchange rate on balances held in foreign currencies of foreign operations | | **(247)** | 1,085 |
| **Cash and cash equivalents, end of period** | | **23,657** | 16,102 |
| **Additional information** | | | |
| Acquisition of property, plant and equipment included in trade and other payables | | **3,297** | 645 |
| Issuance of Class B shares under the Employee Stock Purchase Plan for non-interest-bearing loans | 8 | **504** | 298 |

See accompanying notes to the condensed consolidated interim financial statements.

# 1. General Information

LOGISTEC Corporation (the "Company") provides specialized cargo handling and other services to a wide variety of marine, industrial and municipal customers. The Company has cargo handling facilities in 38 ports across North America and offers marine agency services to foreign shipowners and operators serving the Canadian market. The Company is widely diversified in terms of cargo type and port location with a balance between import and export activities. Furthermore, the Company, through its subsidiaries SANEXEN Environmental Services Inc. ("SANEXEN") and FER-PAL Construction Ltd. ("FER-PAL"), operates in the environmental services segment where it provides services for the renewal of underground water mains, soils and materials management, site remediation, risk assessment and manufacturing of woven hoses.

The Company is incorporated in the Province of Québec and is governed by the Québec *Business Corporations Act*. Its shares are listed on the Toronto Stock Exchange ("TSX") under the ticker symbols LGT.A and LGT.B. The address of its registered office is 600 de la Gauchetière Street West, 14$^{th}$ Floor, Montréal, Québec H3B 4L2, Canada.

The Company's largest shareholder is Sumanic Investments Inc.

The accompanying Q3 2020 financial statements of the Company have been prepared by, and are the responsibility of, management. The Q3 2020 financial statements were approved by the Company's Board of Directors on November 4, 2020.

# 2. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, using the same accounting policies as outlined in Note 2 of the notes to 2019 audited consolidated financial statements, except as described below.

In the application of the Company's significant accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates. The measurement of certain assets and liabilities in the preparation of these Q3 2020 financial statements includes significant assumptions made by management, which have been set out in Note 3 of the notes to 2019 audited consolidated financial statements with the exception of what is discussed in Note 3 below.

The Q3 2020 financial statements do not include all the information required for annual financial statements and should therefore be read in conjunction with the audited consolidated financial statements included in the Company's 2019 annual report.

### Application of New Accounting Standards and Amendments

On January 1, 2020, the Company adopted the following new amendments:

- Amendments to Hedge Accounting Requirements - IBOR Reform and its Effects on Financial Reporting (Phase 1);
- Amendments to References to Conceptual Framework in IFRS Standards;
- Definition of a Business (Amendments to IFRS 3);
- Definition of Material (Amendments to IAS 1 and IAS 8).

The Company completed its assessment of the impact of these amendments and concluded that the adoption does not have a material impact on the Q3 2020 financial statements.

## 3. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

### COVID-19 Measures

During March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is constantly evolving, and the measures put in place have numerous economic repercussions at the global and national levels. These measures, which include travel bans, solitary confinement or quarantine, whether voluntary or not, and social distancing, have caused significant disruption in the United States and Canada, where the Company operates.

LOGISTEC has rolled out its business continuity plan for its operations that are deemed essential services by the government authorities in Canada and the United States. More precisely, the Company's marine operations are considered essential services and, as such, our terminal operations across our North American network remain open and functional. In addition, our manufacturing of woven hoses, which is essential in providing communities with drinking water and fighting forest fires, remains operational.

On the environmental services side, we are, as every year, affected by the seasonality of our operations and most activities cannot be performed in the winter season. This includes site remediation and renewal of water mains. COVID-19 has nonetheless affected these activities, causing significant delays in our projects. Since the end of May 2020, we have resumed all businesses in this segment, and we are now operating under strict distancing and sanitation protocols.

In light of the COVID-19 measures, management has reviewed its judgments, estimates and assumptions, which are fully described in the 2019 audited consolidated financial statements, related to the carrying amounts of assets and liabilities that are not readily apparent from other sources. As at September 26, 2020, management has not found any triggering events that could impair its long-lived assets, including goodwill, that could increase the allowance for doubtful accounts on its trade receivables, or that could limit its ability to draw on its credit facilities.

(in thousands of Canadian dollars)

# 4. Seasonal Nature of Operations

Marine services are affected by weather conditions and are therefore of a seasonal nature. During the winter months, the St. Lawrence Seaway is closed. There is no activity on the Great Lakes, reduced activity on the St. Lawrence River, and no activity in Arctic transportation due to ice conditions.

Environmental services are also affected by weather conditions, as the majority of the specialized services offered involve the excavation of soils, which is more difficult during the winter.

Historically, the first quarter and, to a lesser extent, the second quarter have always presented a lower level of activity and yielded weaker results than the other quarters. The third and fourth quarters are usually the most active.

# 5. Business Combinations

Through an asset acquisition on June 26, 2020, Gulf Stream Marine, Inc. ("GSM") acquired the Care terminal at the Port of Houston in Texas, and on July 15, 2020, acquired an additional terminal at the Port of Pascagoula in Mississippi for a total purchase price of US$12.0 million (CA$16.5 million), subject to certain adjustments. These two strategically located marine terminals complement LOGISTEC's growing network throughout the U.S. Gulf, which is now operating in 12 terminals in three Gulf Coast states. The purchase price has been allocated on a preliminary basis and will be finalized as soon as the Company has obtained all the necessary information. We are currently evaluating the property, plant and equipment and the intangible assets as at September 26, 2020.

At the acquisition date, the fair value of the underlying identifiable assets acquired and liabilities assumed was as follows:

| | $ |
|---|---|
| Current assets | 132 |
| Property, plant and equipment | 9,603 |
| Right-of-use assets | 32,706 |
| Goodwill (deductible for tax purposes) | 5,167 |
| Intangible assets | 1,641 |
| Current liabilities | (86) |
| Lease liabilities | (32,706) |
| Cash purchase consideration | **16,457** |

The acquisition transition costs for these assets, included under other expenses, amounted to $88.

## Impact of the Business Combinations on the Results of the Company

The Company's results for the three-month period ended September 26, 2020, include $2,399 in revenue, and a loss before income taxes of $1,012 generated by these acquired terminals. If this business combination has been completed on January 1, 2020, in the Company's best estimate, revenue and loss before income taxes for the nine-month period would have been $9,530 and $293, respectively.

In determining these estimated amounts, the Company assumes that the fair value adjustments that arose on the acquisition dates would have been the same had the acquisitions occurred on January 1, 2020.

(in thousands of Canadian dollars)

### Goodwill

Goodwill mainly arose in the acquisition as a result of synergies attributable to the expected future growth potential from the expanded locations and intangible assets not qualifying for separate recognition.

## 6. Government Assistance

As at September 26, 2020, the Company believed that it qualified to receive the Canada Emergency Wage Subsidy and that there was reasonable assurance that the amount would be received from the Canadian federal government in connection with the COVID-19 pandemic. For the three-month and nine-month periods ended September 26, 2020, the Company recognized a wage subsidy of $1,702 and $12,662, respectively, against the salary expense qualifying for that subsidy under employee benefits expense in the condensed consolidated interim statements of earnings.

## 7. Financial Risk Management

### Capital Management

The Company monitors the ratio of net indebtedness/capitalization on a quarterly basis. As at September 26, 2020, the ratio was calculated as follows:

| | **As at September 26, 2020 $** | As at December 31, 2019 $ |
|---|---|---|
| Long-term debt, including the current portion | **181,912** | 177,900 |
| Total indebtedness | **181,912** | 177,900 |
| Less: | | |
| Cash and cash equivalents | **23,657** | 22,608 |
| Total net indebtedness | **158,255** | 155,292 |
| Equity attributable to owners of the Company | **294,949** | 280,371 |
| Capitalization | **453,204** | 435,663 |
| Ratio of net indebtedness/capitalization | **34.9%** | 35.6% |

As at September 26, 2020, the Company was in compliance with all its obligations under the terms of its banking agreements.

### Financial Risk Management

Due to the nature of the activities carried out and as a result of holding financial instruments, the Company is exposed to credit risk, liquidity risk and market risk, especially interest rate risk and foreign exchange risk.

### CREDIT RISK

Credit risk arises from the possibility that a counterpart will fail to perform its obligations. The Company conducts a thorough assessment of credit issues prior to committing to the investment and actively monitors the financial health of its investees on an ongoing basis. In addition, the Company is exposed to credit risk from customers. On the one hand, the Company does business mostly with large industrial, municipal and well-established customers, thus reducing its credit risk. On the other hand, the number of customers served by the Company is limited, which increases the risk of business concentration and economic dependency. Overall, the Company serves some 2,200 customers. For the nine months ended September 26, 2020, the 20 largest customers accounted for 45.4% (33.6% in 2019) of consolidated revenue.

## Fair Value of Financial Instruments

As at September 26, 2020, and December 31, 2019, the estimated fair values of cash and cash equivalents, trade and other receivables, trade and other payables, and dividends payable approximated their respective carrying values due to their short-term nature.

The estimated fair value of long-term notes receivable, included in non-current financial assets, was not significantly different from their carrying value as at September 26, 2020, and December 31, 2019, based on the Company's estimated rate for long-term notes receivable with similar terms and conditions.

The estimated fair value of long-term debt was $3,688 higher than its carrying value as at September 26, 2020 ($921 higher than as at December 31, 2019) as a result of a change in financial conditions of similar instruments available to the Company. The fair value of long-term debt is determined using the discounted future cash flows method and management's estimates for market interest rates for identical or similar issuances.

Financial instruments recognized at fair value are classified using a hierarchy that reflects the significance of the inputs used to measure the fair value.

The fair value hierarchy requires that observable market inputs be used whenever such inputs exist. A financial instrument is classified in the lowest level of the hierarchy for which a significant input has been used to measure fair value.

An entity's own credit risk and the credit risk of the counterparty, in addition to the credit risk of the financial instrument, were factored into the fair value determination of the financial liabilities, including derivative instruments.

The Company presents a fair value hierarchy with three levels that reflects the significance of inputs used in determining the fair value assessments. The fair value of financial assets and liabilities classified in these three levels is evaluated as follows:

- Level 1: valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;
- Level 2: valuation techniques based on inputs that are quoted prices of similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, inputs other than quoted prices used in a valuation model that are observable for the instrument being valued, and inputs that are derived mainly from or corroborated by observable market data using correlation or other forms of relationship;
- Level 3: valuation techniques based significantly on inputs that are not observable in the market.

For the period ended September 26, 2020, no financial instruments were recorded at fair value or transferred between levels 1, 2 and 3.

(in thousands of Canadian dollars)

### Sensitivity Analysis

On September 26, 2020, all other things being equal, a 10.0% increase of the pre-established financial performance threshold of acquired businesses related to the written put option would have resulted in a decrease of $2,923 in retained earnings for the period ended September 26, 2020, and an increase of the same amount in total liabilities. A 10.0% decrease of the pre-established financial performance threshold would have had the opposite estimated impact.

## 8. Share Capital

Since the beginning of the year, pursuant to the Company's normal course issuer bid, 5,300 (6,800 in 2019) Class A shares and 28,200 (32,800 in 2019) Class B shares were repurchased and cancelled for cash considerations of $163 ($291 in 2019) and $903 ($1,350 in 2019), respectively. Of this amount, the excess over stated capital of the repurchased shares of $159 ($286 in 2019) and $708 ($1,146 in 2019), respectively, was charged to retained earnings.

As of September 26, 2020, following the issuance of 24,300 (14,800 in 2019) Class B shares under the Employee Stock Purchase Plan ("ESPP"), there remains an unallocated balance of 169,400 Class B shares reserved for issuance pursuant to this ESPP. Those 24,300 (14,800 in 2019) Class B shares were issued in exchange for a cash consideration of $190 ($258 in 2019) and non-interest-bearing loans of $504 ($298 in 2019), repayable over two years. The carrying value of non-interest-bearing loans amounts to $551 as at September 26, 2020 ($328 as at December 31, 2019).

Following the 2016 agreement with SANEXEN, as at March 24, 2020, LOGISTEC issued 148,568 Class B shares at $33.02 per share, which reduced the share capital to be issued from $9,811 as at December 31, 2019, to $4,906 as at September 26, 2020.

During the nine-month period ended September 26, 2020, there were 700 Class A shares converted into Class B shares (nil in 2019).

The issued and outstanding shares were as follows:

| | **As at September 26, 2020 $** | As at December 31, 2019 $ |
|---|---|---|
| 7,377,622 Class A shares (7,383,622 as at December 31, 2019) | **4,875** | 4,879 |
| 5,542,269 Class B shares (5,396,901 as at December 31, 2019) | **40,747** | 35,343 |
| | **45,622** | 40,222 |

### Dividends

Details of dividends declared per share are as follows:

| | **For the nine months ended** | |
|---|---|---|
| | **September 26, 2020 $** | September 28, 2019 $ |
| Class A shares | **0.28** | 0.28 |
| Class B shares | **0.31** | 0.30 |

(in thousands of Canadian dollars)

### Executive Stock Option Plan

The Company has an Executive Stock Option Plan under which 60,658 options to subscribe for the Company's Class B shares have been granted to certain senior executives. The exercise price of the options is $24.86 and is equal to the average of the daily high and low trading prices for the five days, consecutive or not, preceding the date of grant. The options granted vest over a period of four years at the rate of 25% per year, starting at the grant date. The fair value of the options was estimated at $5.77 at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions on which the options were granted. The contractual term of each option granted is seven years. There are no cash settlement alternatives. The Company accounts for the Executive Stock Option Plan as an equity-settled plan.

## 9.Revenue

Revenue is detailed as follows:

| | For the three months ended | | For the nine months ended | |
|---|---|---|---|---|
| | **September 26, 2020** | September 28, 2019 | **September 26, 2020** | September 28, 2019 |
| | **$** | $ | **$** | $ |
| Revenue from cargo-handling services | **79,199** | 100,868 | **250,340** | 284,491 |
| Revenue from services relating to renewal of underground water mains | **81,449** | 61,746 | **104,409** | 103,942 |
| Revenue from site remediation services and decontamination services | **24,141** | 27,583 | **49,259** | 50,783 |
| Revenue from sale of goods | **7,058** | 5,096 | **20,865** | 27,000 |
| | **191,847** | 195,293 | **424,873** | 466,216 |

## 10.Accumulated Other Comprehensive Income, Net of Taxes

| | **As at September 26, 2020** | As at September 28, 2019 |
|---|---|---|
| | **$** | $ |
| Losses on financial instruments designated as cash flow hedges | **(70)** | 13 |
| Currency translation differences arising on translation of foreign operations | **13,964** | 12,957 |
| Unrealized losses on translating debt designated as hedging item of the net investment in foreign operations | **(2,399)** | (2,029) |
| | **11,495** | 10,941 |

## 11. Segmented Information

The Company and its subsidiaries are organized and operate primarily in two reportable industry segments: marine services and environmental services. The accounting policies used within the segments are applied in the same manner as for the condensed consolidated interim financial statements.

The Company discloses information about its reportable segments based upon the measures used by management in assessing the performance of those reportable segments. The Company uses segmented profit before income taxes to measure the operating performance of its segments.

(in thousands of Canadian dollars)

The financial information by industry and geographic segments is as follows:

## Industry Segments

The financial information by industry segment is as follows:

| | Marine services $ | Environmental services $ | **Total** $ |
|---|---|---|---|
| **For the three months ended September 26, 2020** | | | |
| Revenue | **79,237** | **112,610** | **191,847** |
| Profit before income taxes | **4,081** | **23,123** | **27,204** |
| **For the nine months ended September 26, 2020** | | | |
| Revenue | **251,015** | **173,858** | **424,873** |
| Profit before income taxes | **16,032** | **10,894** | **26,926** |
| **As at September 26, 2020** | | | |
| Total assets | **513,563** | **300,595** | **814,158** |
| Total liabilities | **365,097** | **153,239** | **518,336** |
| For the three months ended September 28, 2019 | | | |
| Revenue | 100,867 | 94,426 | 195,293 |
| Profit before income taxes | 12,370 | 10,511 | 22,881 |
| For the nine months ended September 28, 2019 | | | |
| Revenue | 286,500 | 179,716 | 466,216 |
| Profit (loss) before income taxes | 19,912 | (1,037) | 18,875 |
| As at December 31, 2019 | | | |
| Total assets | 463,823 | 270,915 | 734,738 |
| Total liabilities | 323,674 | 130,050 | 453,724 |

## Geographic Segments

The Company's revenue from external customers by country of origin and information about its non-current assets by location of assets are detailed below.

| **Revenue** | Canada $ | USA $ | **Total** $ |
|---|---|---|---|
| **For the three months ended September 26, 2020** | **127,063** | **64,784** | **191,847** |
| For the three months ended September 28, 2019 | 111,555 | 83,738 | 195,293 |
| **For the nine months ended September 26, 2020** | **226,185** | **198,688** | **424,873** |
| For the nine months ended September 28, 2019 | 232,702 | 233,514 | 466,216 |
| **Non-current assets** [(1)] | | | |
| **As at September 26, 2020** | **275,854** | **288,192** | **564,046** |
| As at December 31, 2019 | 259,185 | 240,818 | 500,003 |

[(1)] *Non-current assets exclude non-current financial assets and deferred income tax assets.*

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